



January 12, 2008

MEMORANDUM

Regarding: Conductance Testers and Discover® EV Traction Batteries

Overview

The purpose of this memorandum is to clarify Discover Energy's opinion on the effectiveness and accuracy of conductance testers used on Discover® EV Traction Dry Cell batteries.

Scope of Testing

Discover Energy have tested numerous models of conductance testers that claimed to determine a batteries performance capacities and life status. Testing included tests performed on new and aged models; good and failed units. Corresponding BCI, DIN and JIS tests were also performed on the same batteries.

Conclusion

Discover Energy has determined that there is no meaningful correlation between the readings given by these conductance testers and the batteries' actual performance ability in amp hours, reserve minutes, cold cranking ability (as shown by the Midtronics tester) or good/bad life status, as is determined by the actual corresponding BCI, DIN or JIS industry standard tests for each.

Therefore, as determined by our testing to date, Discover Energy does not consider readings given by these testers as accurate and will continue (until further notice) to rely solely upon the published industry standard tests to determine new battery ratings and in field battery performance.

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